PROCLAMATION

BY THE

Covernor of the State of Texas

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REPRODUCED FROM THE HOLDINGS OF THE TEXAS STATE ARCHIVES

ALL TO WHOM THESE PRESENTS SHALL COME:

I am vetoing and filing with the Secretary of State
House Bill No. 313 which was passed at the recently adjourned
Regular Session of the Fifty-First Legislature.

The present law provides that county tax collectors can retain 2 per cent of the tax collected under that part of the Omnibus Tax Law Taxing both retail sales of motor vehicles in Texas and the use of vehicles bought outside of Texas.

Under House Bill 313 passed by the Fifty-first Legislature the counties can retain only a part of the use tax and none of the sales tax.

Although the amount of the tax to be retained has been raised from 2 per cent of the amount collected to 10 per cent, the net effect will probably be to deprive the counties of more revenue than they had been receiving under the old law.

The reason for the above result is that, under Section 6 of the law as now on the statute books, 98 per cent of the taxes collected "hereunder" (meaning both the sales tax and the use tax) was forwarded to the State and 2 per cent retained by the counties. Under House Bill 313, the provision pertaining to retention of taxes is limited to taxes collected "under Section 2"which is the section imposing the use tax. Thus, by such over-specification, there is no provision for counties retaining any of the sales tax.

This probably was not the intent of the Legislature, for the emergency clause recites the need of increasing, not decreasing, the amount of taxes to be retained by the counties.

I have been urged by various officials of counties of the State to veto this bill in view of the fact that it does not in its present form carry out the intended purpose.

House Bill No. 313 reached the Governor's Office less than ten days prior to the adjournment of the Regular Session of the Fifty-first Legislature. In accordance with the Constitution, the bill, together with this proclamation containing my objects to the bill, is being filed with the Secretary of State.

> IN TESTIMONY WHEREOF I have hereunto signed my name officially and caused the Seal of State to be affixed hereto at Austin, this the

21st day of July, A. Q., 1949.

BY THE GOVERNOR:

FILED OFFICE OF THE SECRETARY OF STATE

THIS J DAY OF

Secretary of State